

Vattenfall UK Gender Pay Gap 2021 Report



VATTENFALL

Our business

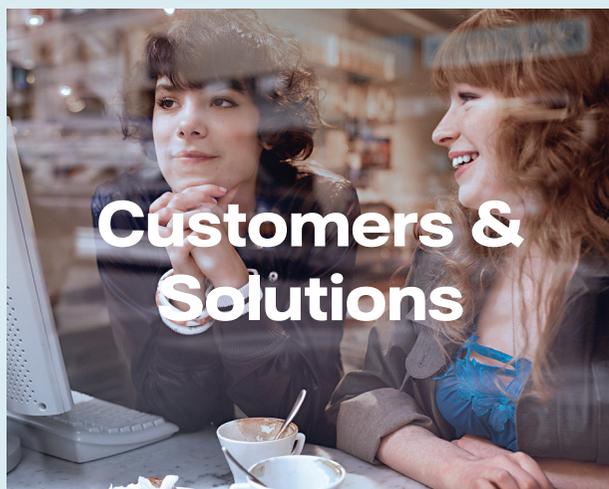
Fossil free living within one generation

You might expect an energy company to only do energy. But to live fossil free tomorrow, we need to think beyond convention of today.

At Vattenfall, that's the mindset that drives everything we do.

That is why Vattenfall has high goals and ambitions for diversity and inclusion.

Only a diverse mix of individuals can make fossil free living happen together. We as an organisation are dependent on thinkers, makers, builders, partners, solvers, producers and supporters - motivated individuals who bring their specific talent and release their superpowers into the team.



Fossil free living within one generation

Introduction



Anna Borg
President and Chief Executive Officer (CEO)

Vattenfall has high goals and ambitions for diversity and inclusion.

The energy sector is at the bottom of the list when it comes to equality between sexes. Women only make up about 20 per cent of the workforce on average and the figure is even lower within management.

Vattenfall is proud to report that in this male-dominated industry, women make up almost two thirds of Vattenfall Executive group and as of 2021 women dominate executive positions in Vattenfall.

However, as a proud signatory of Equal by 30 Vattenfall still has a way to go. Women account for 27% of employees in Vattenfall, and we are working to bring that number up to the industry benchmark of 32%. This benchmark was revealed in a report recently conducted as part of the Equal by 30 initiative.

We believe in an open culture and our approach is to embed diversity and inclusion in everything we do.

We confirm that the information and data provided in this report is accurate and in line with mandatory requirement.

A handwritten signature in black ink that reads "Anna Borg". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Equalby30 | PUTTING GENDER EQUALITY
AT THE HEART OF THE
GLOBAL TRANSITION TO
A CLEAN ENERGY FUTURE



Claudette Monaghan
Vice President of HR for
Staff Functions

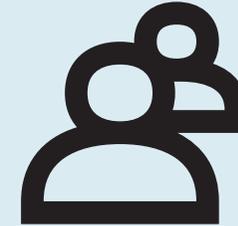
Vattenfall has set high and clearly-defined goals in terms of strengthening diversity in the company.

Our aim is to promote an environment where all of our employees are paid fairly for their contribution to the success of our business and our mission to enable fossil free living within one generation.

We confirm that the information and data provided is accurate and in line with mandatory requirement.



Danielle Lane
UK Country Manager



Vattenfall is an international organisation with approximately 20,000 employees worldwide.

In UK, Vattenfall is represented by three business entities: Vattenfall Wind Power Ltd, Vattenfall Heat Ltd and Vattenfall Networks Ltd, with total headcount of 355 employees, with majority employees in Wind, where Vattenfall has an obligation to file Gender Pay Gap report.

Headcounts (as of 5th April 2021)

Vattenfall Wind Power Ltd - 315

Vattenfall Heat Ltd - 36

Vattenfall Networks Ltd - 4

Vattenfall Wind Power Ltd is required to publish an annual gender pay gap report in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. Gender pay gap calculations are based on Vattenfall payroll data drawn from a specific date,

which is called "snapshot date". For Vattenfall, as well as for the purposes of this report, it is 5th April 2021. The gender pay gap is the percentage difference between average hourly earning for men and women.

We are committed to equal opportunities and equal treatment for all employees. As part of our commitment we carry out regular pay and benefit audits, evaluate job roles and pay grades to ensure fairness across all our businesses within UK.

We are confident that our gender pay gap is not because we pay men and women differently for the same or equivalent work. Instead, our pay gap is because men and women work in different roles and those roles have different salaries.

Vattenfall UK (including Wind, Heat & Networks) Gender Pay Gap Results

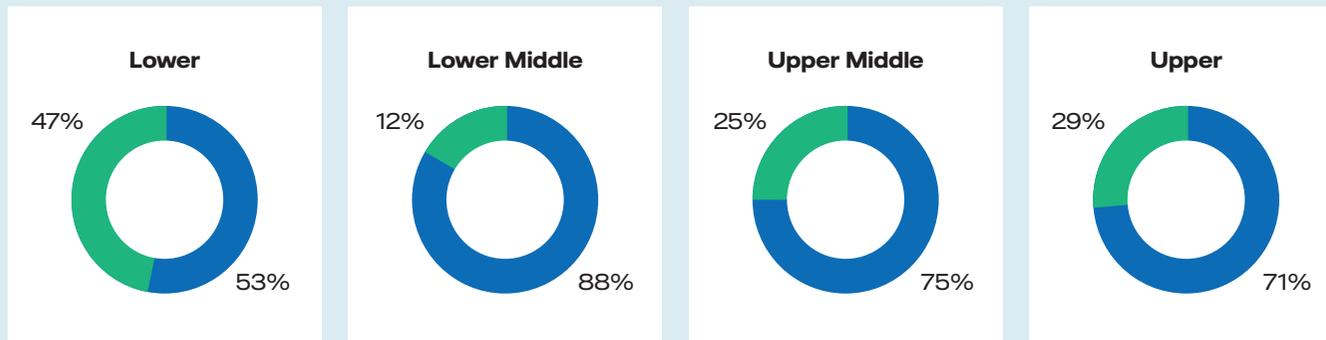
Mean Gender Pay Gap: The Mean = the difference in the average hourly rate of pay between male and female employees

Median Gender Pay Gap: The Median = the difference in mid-point hour rate of pay between male and female employees

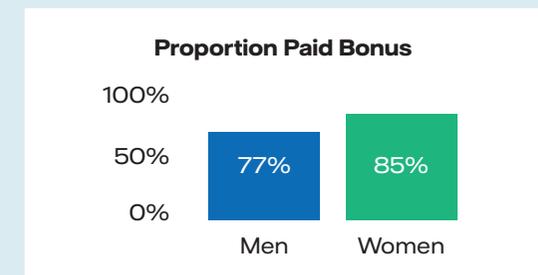
Pay Gap - 2021	
Mean	7.12%
Median	3.05%

Pay Quartiles ■ Men ■ Women

There are job specific factors which are also relevant to the cause of the pay gap, particularly where more men are typically earning additional call out and unsocial hour allowances compared to women.



Proportion of Men and Women receiving Short Term Incentive (Bonus)



Short Term Incentive (Bonus) Gap	
Mean	1.58%
Median	0.28%

Vattenfall Wind Power Ltd Gender Pay Gap Results

These results have been reported to the UK Government

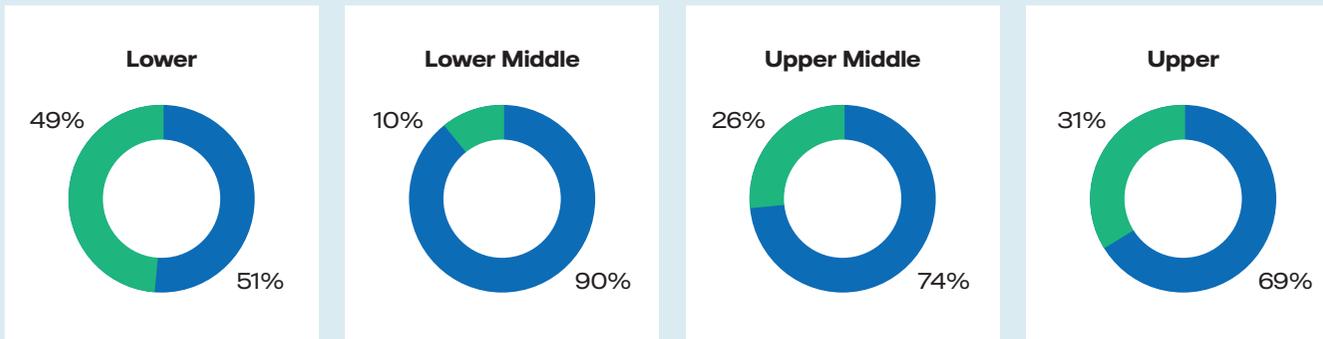
Mean Gender Pay Gap: The Mean = the difference in the average hourly rate of pay between male and female employees

Median Gender Pay Gap: The Median = the difference in mid-point hour rate of pay between male and female employees

Pay Gap - 2021	
Mean	5.55%
Median	3.70%

Pay Quartiles ■ Men ■ Women

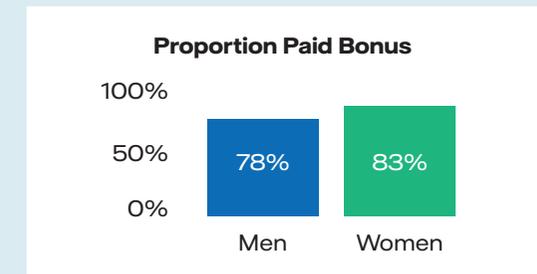
There are job-specific factors which are also relevant to the cause of the pay gap, particularly where more men are typically earning additional call out and unsocial hour allowances compared to women.



Most organisations have a gender pay gap and we are pleased to say that ours is more favourable than others within the UK market.

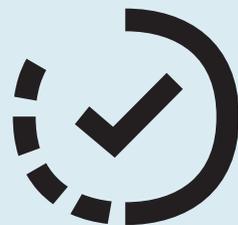
At Vattenfall, our ambition is to establish diversity and inclusion as a natural part of our business, in everything we do.

Proportion of Men and Women receiving Short Term Incentive (Bonus)



Short Term Incentive (Bonus) Gap	
Mean	3.76%
Median	14.46%





Analysis of our 2021 Pay Gap

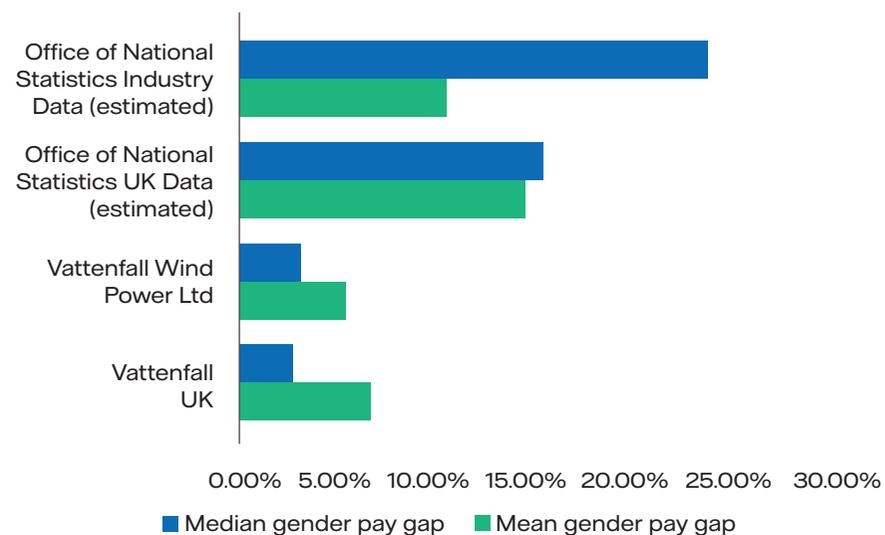


Our results show positive comparison to UK data and Industry data provided by Office of National Statistics (ONS). Although ONS provides an estimated data, estimation of National (UK) data is considered to be of good quality, where's UK Industry data is considered to be of reasonable quality.

Gender pay gap - Office for National Statistics (ons.gov.uk)

Whilst we can be pleased with the progress we are making, our work programme is designed to take us further again towards gender pay equality.

Gender Pay Gap Comparison table



The closer the figure to zero, the fairer the Gender Pay Gap is.

Vattenfall Wind Power Ltd is above zero, however is better than the industry average as demonstrated by the report from the Office of National Statistics Annual Survey of Hours and Earnings.



20,284 employees

One goal: To enable fossil free living within one generation



Whilst we can be pleased with the progress we are making, our work programme is designed to take us further again towards gender pay and equality, focused on:

- Recruitment and career development
- Retention
- Compensation and Benefits practices
- Diversity & Inclusion strategy
- Policies & procedures
- Equal by 30 initiative

Recruitment & career development

Our recruitment strategy is designed to encourage more balanced gender diversity and amongst the shortlisted candidates for a managerial position our approach strives to always have at least two candidates, one of each gender (equally qualified).

Our development programmes help us to define, measure and nurture the culture within Vattenfall. The Vattenfall Management Institute also offers advice, consultation and training programmes to empower leaders to grow and learn.

As part of our global Diversity and Inclusion aspiration, our training and development plans include avoidance of unconscious bias.

Compensation and Benefits practices

We continue to review, harmonise and audit our reward practices and benefit packages to ensure our approach is free from gender bias, non-discriminatory, and fair in all stages of the employee life cycle.

Diversity & Inclusion strategy

At Vattenfall, our ambition is to establish diversity and inclusion as a natural part of our daily business, embedded in everything we do.

Our ambition is to also broaden our thinking, to drive all dimensions of diversity and be inclusive of everyone.

International Equal by 30 initiative

Equal by 30 is an international initiative to work according to the principles of equal pay, equal leadership and equal opportunities for women in the energy sector by 2030. The agreement was signed by Vattenfall in 2018 alongside 13 governments and more than 130 organisations worldwide. The initiative is based on the UN's global objectives to promote gender equality.

Vattenfall will continue with our commitment to endeavour to boost gender diversity in the energy sector. The high-level principles are equal pay, equal opportunities and equal leadership by 2030.

Vattenfall was delighted to receive nationally recognised certification, which acknowledges our commitment to achieving and sustaining diversity in our workplace and everything we do. Vattenfall achieved over 90%, Gold Standard, Committed to Equality certification, which is a National Equality Standard that demonstrates our commitment to Diversity and Inclusion in the UK.

Retention

Vattenfall focuses efforts on the retention, with a focus on progression of women. Facilitating internal and external networking for women, engaging and promoting a variety of female role models and mentoring are all positive steps in an attempt to further narrow a Gender Pay Gap.

Policies & Procedures

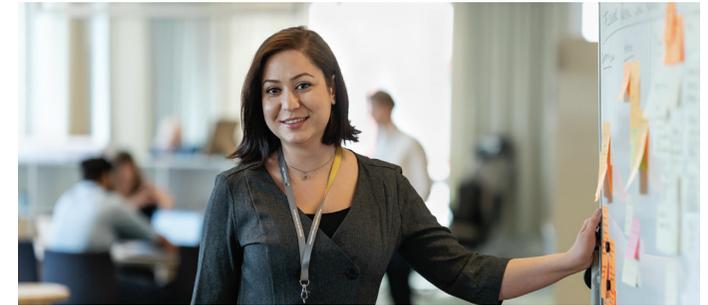
Continue to develop our policies and procedures to enhance our commitment to Diversity and Inclusion and ways of working.

Our success factors

Research studies will increase diversity in recruitment

Vattenfall has high goals and ambitions for diversity and inclusion. A new study on Vattenfall's recruitment processes aims to improve these and to reduce bias in recruitment to better reflect diversity in society.

For this reason, in January this year a project was launched in collaboration with diversity and inclusion consultants from the social enterprise Mitt Liv ("My Life") and researchers from the Stockholm School of Economics and Law. The team will review a number of recruitment processes, from the design of employment criteria to selection methods and the way job interviews are carried out. In addition, the project will outline frameworks for the inclusive recruitment, tailored to the organisational needs, and identify and design tools and methods to be used by recruiters and recruiting managers to support an inclusive recruitment process.



Women at the top, what does it matter?

The energy industry is male dominant with women only constituting a quarter of Vattenfall's workforce. However, in Group management, things now look different. When Anna Borg succeeded Magnus Hall in the Autumn of 2020, Vattenfall got its first female CEO in its 100 plus year history. In addition, all but one of the vacant Group management positions has been filled by a woman in the past year.

Diversity and inclusion

At Vattenfall our ambition is to establish diversity and inclusion as a natural part of our daily business in everything we do. We are embedding diversity and inclusion in everything we do, by living our principles.

Open means open to new perspectives, that we challenge ourselves and each other, and that we are conscious of our biases so we can make the best decisions.

Active means we actively safeguard and promote equal opportunities for both potential and existing employees, so we can all develop and contribute with our diverse skills and competence.

Positive means we take a stance and have a clear position in what we say and do, and hope to influence those around us.

Safety is about creating security so we can voice our thoughts and maintain work life balance in an environment that is free from harassment and unethical behaviour, no matter who we are.



We invest in people and their wellbeing

Vattenfall in UK is in the process of being assessed for two categories in Investors in People Accreditation: We Invest in People and We Invest in Wellbeing. Both accreditations are extremely important for Vattenfall as their principles are reflected in the company's core values and business ethics.

Achieving both accreditations will not only provide Vattenfall with quantifiable reassurance, but also will focus on future goals and ways of achieving them.